In respect of the latter class of work the State will maintain small & well-equipped advisory offices, but organization, working & control should be entirely left to the local bodies. Roughly speaking the centralized departments should be financed from the income of the State domains, all taxation being made over to the local bodies for other work. The local bodies will thus be able to adjust their activities in respect of the development and nation-building departments according to their capacity & willingness to tax themselves and this is exactly what is wanted. As these bodies will have their balances and reserves, they will be in a position to frame & pursue definite policies in respect of different branches of work and there will be no violent & dislocating fluctuations in the work from year to year.

I think I have bored you enough with dull financial twaddle. Your infinite patience is my only excuse. A few days ago I received a copy of H.H. the Maharaja's speeches 1902-20. I do not know who sent it — it seemed to drop on me from the skies. But whoever

सौम्यं वपुर्दोर्भवतापितेव मारुत

DIWAN BAHADUR K.S. CHARAVARTI

Camp Ranchi Secretariat
The 20th Nov. 1921

Top: 1-6

My dear Mr. Mirza,

Many thanks for your letter of the 24th ult. written from Fern Hill. It was so informing and interesting! The reading of the letter was like one of those straight and heart to heart talks which we used to have in days gone by. Who knows if ever to return?

In India and the British Indian provinces, we know exactly the reasons of the desperate financial situation. Heavy military expenditure, rise in police charges, reorganization of all the superior services in hot haste before the introduction of the reforms, increase in the cost of subordinate and menial establishments and cost of introducing the reforms — these are the most important factors on the expenditure side. On the revenue side fall in

excise & customs. Of these causes the only one which need seriously affect expenditure is the increased cost of subordinate and menial staff. The situation in Burma if properly controlled should therefore be much less complicated than in India.

There are some thoughtful men in India who think that the rock on which the reforms may founder is not Non-cooperation but finance. My own humble view is that the financial crisis is a blessing in disguise. It will bring home to all, as nothing else could have done, the weakness of the rigid, topheavy, centralised, bureaucratic form of government. Two courses are now open to the Governments in India - either to raise considerably the level of taxation or to alter radically the system of administration. One must hope for the sake of Mother India that the former course will not be thought of; and that in following the latter the right path will be taken.

There is a third way - most unsound and dangerous - viz. to borrow largely and, by juggling with capital and revenue accounts, to use the loan money for purposes & works for which current revenues only should be used. To adopt this method is simply to put off the evil day and the crash when it will come will, in that case, be all the more disastrous. Of course, no Government with any financial foresight will adopt such a course; but it is better for all concerned to be on their guard as necessity knows no law and the temptation to put off the disagreeable task of financial readjustment may prove overpowering.

The best - and to my mind the only sound - solution of the difficult situation seems to lie in the direction of introducing elasticity, economy, decentralization and popular control in the administration. Only the most essential functions of a settled and civilized government should remain in the hands of centralized State departments; all other work should be entrusted to local bodies.

that with quick and kindly royal insight the Prince has realized this aspect of the situation and with rare courage shewn by his magnificent behaviour on the Poona racecourse what he has grasped. Let us all hope that H. R. H's tour will be truly successful & enjoyable and that it will give him a fair view of not only the face but also of the mind and soul of India. I notice that the Prince's visit to Mysore falls between his visits to Madras and to Hyderabad. I have every hope that its whole-hearted and harmonious enthusiasm of all classes of the population, its interest and attractiveness and its truly royal hospitality, Mysore will be able to produce a most favourable and ineffaceable impression on the august Visitor.

The impending changes in the administration of Mysore are all interesting. The selection of a non-official to a vacancy in the Council will certainly be a move in the right direction. The appointment in my humble opinion should go to a popular man as a reward for substantial public work in the Representative Assembly and local bodies — much importance need not be attached to English literary qualification, provided there is character, patriotism, common-sense & influence over the people.

With best compliments, I am yours very truly J. S. Chatterji

caused it to be sent has earned my warmest gratitude for it is a possession I shall always treasure. I have read them all and some of them brought back to me a few of the happiest moments of my life when I sat or stood gazing at the serene dignity of a noble countenance the radiance of which meant more to my mind than I can ever find words to express. What strike me most about the speeches are their ring of sincerity and earnestness, their fine poise and sobriety their rare combination of far sighted wisdom and inimitable grace. May His Highness's reign be long and glorious and may we have in course of time many such volumes covering similar periods!

The Prince's reception in Bombay has been spoilt to some extent by the most lamentable rowdyism of the fanatics and budmashes. We have not got the exact truth about the whole affair yet, but one thing is clear and this is a bright silver lining in the cloud-ig. that even in the behaviour of the rioters there was not the slightest indication of any personal enmity to the Prince himself. It is a matter for sincere admiration and gratification